VZCZCXRO1819 OO RUEHBI RUEHCI RUEHLH RUEHPW DE RUEHNE #5030/01 1991000 ZNY CCCCC ZZH O 181000Z JUL 06 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 6657 INFO RUEHBJ/AMEMBASSY BEIJING 3022 RUEHLM/AMEMBASSY COLOMBO 6355 RUEHKA/AMEMBASSY DHAKA 6362 RUEHIL/AMEMBASSY ISLAMABAD 9400 RUEHBUL/AMEMBASSY KABUL 3139 RUEHKT/AMEMBASSY KATHMANDU 7045 RUEHLO/AMEMBASSY LONDON 0764 RUEHKO/AMEMBASSY TOKYO 3602 RUEHCI/AMCONSUL CALCUTTA 5402 RUEHCG/AMCONSUL CHENNAI 5403 RUEHKP/AMCONSUL KARACHI 4801 RUEHLH/AMCONSUL LAHORE 2849 RUEHBI/AMCONSUL MUMBAI 4627 RUEHPW/AMCONSUL PESHAWAR 3496 RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 1673 RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEHGV/USMISSION GENEVA 3971 RHHMUNA/HQ USPACOM HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 005030

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E.O. 12958: DECL: 07/02/2016 TAGS: <u>PGOV</u> <u>PREL</u> <u>PTER</u> <u>PINR</u> <u>IN</u> <u>PK</u>

SUBJECT: PM SINGH BESIEGED BY MULTIPLE POLITICAL CRISES

REF: A. NEW DELHI 4990

1B. NEW DELHI 4202
1C. NEW DELHI 4200
1D. NEW DELHI 4062

Classified By: Charge Geoff Pyatt for Reasons 1.4 (B, D)

(C) Summary: After weeks under fire over primarily domestic issues, the July 11 Mumbai and Srinagar attacks have added a foreign policy dimension to criticism of PM Singh's performance, which will spill over into the July 24 Parliament session. Manmohan Singh is under attack politically from both the Right and the Left and facing the most serious challenge of his Prime Ministership. The favorable G-8 statement condemning the Mumbai attacks will buy the Prime Minister some time, as will a brewing controversy over the BJP's own handling of terrorism, but all eyes in India are looking to Islamabad for tangible action against terrorism. This time, Indians will not be satisfied with what analysts here view as the stock Pakistani response of mass arrests followed by mass releases peppered with a few house arrests, or "catch and release." As an indication of the shift in Indian public opinion, even Indo-Pak peacenik and NDTV correspondent Barkha Dutt observed in a weekend column that the Mumbai blasts were so lethal, they had evaporated domestic support from the peace process. End Summary.

## A PM Under Fire

12. (C) The Left parties have grown in stature and power following their resounding victories in the Kerala and West Bengal elections (Ref D), and have now taken on the character of the de facto opposition. They have focused their attacks

on the UPA's economic reform agenda and blossoming relationship with the US, with the Prime Minister cast as instigator of both initiatives. He has also faced growing criticism from political pundits and the BJP for "weakness," a lack of political skills, and an apparent inability to play the game of coalition politics. This was epitomized by his cave-in to demands by the Left and regional parties on price hikes and privatization.

13. (C) Exploiting the terrorism issue, the BJP appears determined to make life miserable for the PM when Parliament convenes, using explosive and personal rhetoric attacking his ability to lead the nation in a time of national crisis. With the Left carving out a space far from Congress and seemingly above criticism, and the BJP going for the jugular, the PM stands isolated and could find it very difficult to defend himself on the floor of Parliament starting July 24.

## The BJP Looks for Revival ...

- 14. (C) The BJP, itself the strong proponent of closer US-India ties and economic reform, has been politically adrift and was bereft of an issue it could use to score political points against Congress and the UPA. The Mumbai terrorist attacks provided the BJP with an issue upon which they can hang a hoped-for political revival.
- 15. (C) As a result, the BJP has been unstinting in its criticism of the PM and has called for him to resign. Former BJP Foreign Minister Jaswant Singh accused the UPA of "playing with the security of the nation." (NOTE: A recent

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Indian press kerfluffle may negate some of Jaswant's criticism. The "Hindustan Times" on July 18 reported that passages in his forthcoming autobiography, "A Call to Honour," regarding a possible cash ransom for the December 1999 IC-814 hostages and handing a bag of explosives to the hijackers may prompt the government to open a probe into the BJP's handling of the incident. End Note.) In a sign of how the BJP's center of gravity has shifted, the party has also begun promoting Gujarat Chief Minister Narendra Modi as the epitome of a strong "no-nonsense" leader who would stand up to terrorism and contrasting his strength with the PM's alleged "weakness."

... And Going In for the Kill

- 16. (SBU) The BJP hooked its early post-Mumbai rhetoric on the assertion that the UPA government fostered an atmosphere of complaisance regarding terrorism by repealing the controversial Prevention of Terrorism Act (POTA) and replacing it with the UPA's own Unlawful Activities (Prevention) Act (UAPA). BJP Lok Sabha Opposition Leader LK Advani lobbied for POTA's revival in the next Parliamentary session.
- 17. (C) In addition to reviving POTA, Jaswant Singh publicly attacked the MEA for failing to utter "one intelligent word" regarding the Mumbai attacks. He also told journalists the terrorism tempo in India was "the worst in a decade." The BJP-affiliated "Pioneer" has been supporting the charge; a weekend editorial by Swapan Dasgupta likened PM Singh's pursuit of Indo-Pak rapprochement with Chamberlainian appeasement; Congress Party President Sonia Gandhi, he continued, was less a Margaret Thatcher or Indira Gandhi (which he argued India needed now) than a "Florence Nightingale for an evening." Dasgupta's solution, he intimated in his closing, is a hard-line response a la Gujarat Chief Minister Narendra Modi.

The PM Attempts a Spirited Defense

weakness, the PM has moved smartly to mount a defense. He drew attention to several spectacular terrorist attacks that happened during the BJP government while POTA was operative, including the 2003 Mumbai bombings and the attack on the Akshardam Temple. (COMMENT: See 04 NEW DELHI 8028 for Embassy New Delhi's assessment that UAPA retains POTA's salient elements and offers legal expansion to some GOI counterterrorist intelligence capabilities while removing some of POTA's onerous detention-without-charging aspects. The POTA/UAPA controversy is largely a partisan affair with little substance. End Comment.)

## Left Distancing Itself from Congress

¶9. (C) The Left parties, which prop up the UPA government, are already hostile and have joined the anti-Pakistan bandwagon, with prominent Left personality and MP Brinda Karat canceling her participation in an Islamabad parliamentary event. This did not prevent the Communists from criticizing Congress on Indo-Pak affairs. CPI MP Gurudas Dasgupta remarked that even the Mumbai attack should not be used to call off Indo-Pak talks; "rather, they should be constituted, because the terror strikes attempted to derail these talks, and terrorists should not be allowed to

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have their way." The CPI have historically placed great emphasis on Indo-Pak rapprochement, and with Congress seemingly in disarray, they can now carve out their own space regarding terrorism.

Attack on a Proxy Target: NSA Narayanan Assailed as Weak

10. (SBU) The "Sunday Hindustan Times" on July 16 devoted a full page to "squarely blaming" NSA Narayanan for the string of major terrorist attacks outside J&K over the past 12 months (Ayodhya, Delhi/Diwali, Bangalore, Varanasi, and Mumbai): "Spies and terrorists are running amok in India, blame it on this man." Ironically (given that he has acted as the UPA government's designated hardliner) Narayanan also took the heat for the two unfolding spy scandals, the "War Room Leak" and the National Security Council Secretariat case, both of which dominated domestic headlines pre-Mumbai, to the embarrassment and consternation of the government. (NOTE: In fact, it was only the Mumbai attacks that pushed these stories off the front page of most major Indian English-language dailies last week. End Note.) The "Hindustan Times" is known to be close to PM Singh, and political observers are already theorizing that the PMO planted the anti-Narayanan stories to deflect attention away from the embattled Prime Minister.

## G-8 Statement "A Major Diplomatic Gain"

- 111. (SBU) Before the PM departed Delhi for St. Petersburg, Foreign Secretary Saran on July 15 told reporters he sought a "united response" against terrorism from the world leaders, undoubtedly signaling the GOI's desire for a firm, multilateral condemnation of the attacks, plus pressure against Musharraf to live up to his promise. Weekend commentary prior to the start of the summit was cynical about the G-8 process, claiming the member countries were interested only in themselves and have been effectively distracted by events in the Middle East. Some commentators rhetorically questioned why the G-8 countries maintain a double standard that places higher value on Israeli lives than Indian.
- 112. (SBU) Initial Indian responses to the strongly-worded statement have been positive. Writing on July 19 from St. Petersburg for the "Indian Express," Strategic Affairs Editor C Raja Mohan called the statement "a tough political message to Islamabad," the PM in St. Petersburg described it as "very

important" and "particularly relevant," and Saran told reporters it was "a major diplomatic gain for India." This buys the PM some breathing room, but New Delhi and the pundits that prod it will soon seek actions that back up those strong words.

But India Believes the West Values Musharraf More

113. (SBU) The Indian elite, nearly five years after 9/11, believes "the West" (read "Washington and London") continues to view Musharraf as Pakistan's last, best hope. Even those Indians who accept Musharraf's positive intentions dismiss him as a leader who is either actively promoting or hopelessly out of the loop regarding GOP promotion of cross-border terrorism. There was also considerable Indian anger over Pakistan's apparent initial disdain for India's suffering as voiced by Foreign Minister Kasuri (whose

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ill-formed statement of last week is still resonating in Indian press, see Ref A), with some commentators asserting that Pakistan expects a free ride when it comes to its "obvious" support for terrorism. Despite the Indian disgust for Musharraf, when we ask them what Pakistani leader would be a better partner against terrorism, the Indian critics' silence is deafening.

Indo-Pak the Venue for the PM to Show His Stripes

 $\underline{\P}14$ . (C) As Parliament returns, we expect the PM will focus on Indo-Pak affairs, which will be an easier task for him than coalition management. He has personally issued stronger anti-terrorism statements than ever before, firing direct shots at Pakistan President Musharraf's January 2004 promise to prevent Pakistan-based terrorism from affecting India by stating that "We are also certain that these terror modules are instigated, inspired, and supported by elements across the border without which they cannot act with such devastating effects." "I would not want to use harsh words," but "in a democracy there is a limitation on what a leader can do if terrorists are having free rein," a signal that he is closely watching Indian public opinion. He added to reporters on his official jet as he winged to St. Petersburg that "The terror attacks on Mumbai were on a massive scale, and could not have been accomplished without external involvement." Musharraf's promise "must be fulfilled before the peace process can make progress," a clear signal that the PM expects tangible counterterrorism cooperation before the rapprochement process can be restarted. NDTV Defense and Foreign Affairs Correspondent Ajay Shukla pointed out that the Composite Dialogue talks "are being delayed, not cancelled," and that the decision was made primarily for domestic political considerations.

Comment: So That's Where He Will Look for Progress

115. (C) On the way to St. Petersburg, the PM specified he wanted "action on the ground" from Islamabad to demonstrate its commitment to combating terrorism. The ball is now, in the view of many Delhi-based Indo-Pak watchers, in Musharraf's court. The steady flow of casualties in J&K is something the Indian public has learned over time to accept, for the most part, but massive fatalities in India's "Maximum City" cannot go unanswered by any government, let alone one supervising an unsteady coalition. As terrorism expert Ajai Sahni told us, New elhi wants more than the standard "catch and release" terrorism round-up of the usual suspects that has become viewed here as Islamabad's stock reply to cross-border terrorism. This time, the GOI wants -- and the PM needs -- real arrests, real prosecutions, and perhaps even the unthinkable, Pakistani extraditions to India, to prove to the Indian government that Islamabad is ready to pay more than lip service to combating terrorism in the region

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¶16. (U) Visit New Delhi's Classified Website:
(http://www.state.sgov.gov/p/sa/newdelhi/)
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